UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/813,410	03/29/2004	Kuo-Chin Chang		5644

25859 7590 03/27/2007		

WEI TE CHUNG
FOXCONN INTERNATIONAL, INC.
1650 MEMOREX DRIVE
SANTA CLARA, CA 95050

EXAMINER
GARG, YOGESH C

ART UNIT	PAPER NUMBER
3625	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	03/27/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

	Application No.	**Applicant(s)**
Office Action Summary	10/813,410	CHANG ET AL.
	Examiner	**Art Unit**	
	Yogesh C. Garg	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>29 March 2004</u>.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-12* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-12* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☒ All b)☐ Some * c)☐ None of:

      1.☒ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 101

1.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of
> matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

1.1.   Claims 1, 3-7 are rejected under 35 U.S.C. 101 because the claimed

inventions are directed to non-statutory subject matter. Claims 1, 3-7 are directed to

disembodied data structure which are per se not statutory. C.f. In re Wamerdam

because the body of the claims are directed to modules, which are interpreted as

software programs representing data structure without reciting any functional changes

due to an application program resulting in an useful, concrete and tangible result.

Functional descriptive material, in combination with a computer readable medium must

be capable of producing a useful, concrete and tangible result when used in a computer

system is statutory i.e., a set of instructions in combination with a computer system. C.f.

In re Wamerdam - data structure stored in a computer memory, and *In re Lowery, 32*

USPQ2d 1031 (Fed. Cir. 1994) - data structure in a computer readable medium.

A claim to a computer readable medium encoded with functional descriptive

material that can function with a computer to effect a practical application that results in

a useful, concrete an tangible result (i.e. running an assembly line or executing a stock

transaction) satisfies Section 101. Examples of Statutory Functional Descriptive Material

are:

(a) A claimed computer-readable medium encoded with a functional data structure – this defines structural and functional relationships between the data structure and the hardware/software components. See *Wamerdam*.

(b) A claimed computer-readable medium encoded with a computer program - this defines structural and functional relationships between the computer program and the computer itself which allows the program's functionality to be realized provided that a useful, concrete and tangible result is realized. See U.S. Patent 5,710,578 to Beauregard et al.

1.2.   Claim 12 is a process so it is in one of the 4 statutory categories, but it does not appear to have a practical application. Looking for a useful, concrete, tangible result, the result of providing a clause doesn't ensure anything real world, so it lacks tangibility. The steps of providing modules don't help, providing doesn't require a response. Arguably this is not useful, as merely offering and providing a clause doesn't yield anything specific and substantial. This interpretation of the examiner is based upon following analysis:

See Ex parte Lundgren, 76 USPQ2d 1385 (Bd. Pat. App. & Int. 2005) (precedential), and especially the concurrence/dissent of Administrative Patent Judge Barrett, id. at 1417-26 under headings **"Claims that read on statutory and nonstatutory subject matter are unpatentable,"** "Conclusion," and "'Technological arts' test," for the history of the test. This action incorporates-by-reference the analysis by APJ Barrett, id. at 1393-1430.

The Supreme Court has defined a "process" as involving a transformation of subject matter to a different state or thing, id. at 1398-1401, where the transformation of physical subject matter involves technology.

The concurrence/dissent of APJ Barrett in Lundgren concludes that there are three viable tests for statutory subject matter: (i) to constitute a "process" under 35 U.S.C. § l01 requires that the method steps transform physical subject matter (tangible or intangible) to a different state or thing; (2) "laws of nature, natural phenomena, and abstract ideas" are exceptions to § i01 and apply to subject matter that would otherwise be within § l01; and (3) the claimed subject matter must be "reduced to some type of practical application, i.e., 'a useful, concrete and tangible result,'" State Street, 149 F.3d at 1373, 47 USPQ2d at 1600-01. The State Street test so far is limited to machine claims and machine-implemented process claims. See Lundgren, 76 USPQ2d at 1411-16. The instant method claim 12 is computer implemented and the State Street test should apply.

The U.S. Patent and Trademark Office (USPTO) has issued Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility (Guidelines), 1300 Off. Gaz. Patent and Trademark Office 142 (Nov. 22, 2005). As stated in the Guidelines: "Rejections will be based upon the substantive law. The examiner relies on the State Street test argued in this case. The State Street test requires that the claimed subject matter is "reduced to some type of practical application, i.e.,'a useful, concrete and tangible result.'" **The "useful, concrete and tangible result" must be specified in the claims; i.e., it is not sufficient that a claim reads on a practical application**

disclosed in the specification. A claim which reads on both statutory and nonstatutory

subject matter should be considered unpatentable. See Lundgren, 76 USPQ2d at 1417-

24. Also, the test requires that the "result" must be "useful" and "concrete" and

"tangible." And, the test is for a "useful, concrete and tangible result" and, therefore, it is

the final result that must be examined, not just the individual steps.

State Street did not define the terms "useful, concrete and tangible." It is presumed

"useful" refers to the utility requirement of § 101, although utility is generally considered

a separate requirement from the eligible subject matter ("process, machine,

manufacture, or composition of matter") requirement. See Robert L. Harmon, Patents

and the Federal Circuit 40 (4th ed. Bureau of National Affairs, Inc. 1998) ("It may be

useful to think of eligibility as a precondition for patentability, and of utility as one of the

three fundamental conditions for patentability, together with novelty ... and

nonobviousness "); Lundgren,- 76 USPQ2d at 1395-96. "Concrete and tangible"

logically seem to be the opposite of an "abstract idea" and, thus, the concept of an

"abstract idea" fits into the State Street test. Things that are well known to represent

abstract ideas, e.g., mathematical algorithms, are clearly not "concrete and tangible."

The Federal Circuit specifically held in State Street that transformation of data

representing some real world quantity (discrete dollar amounts) by a machine was a

practical application of a mathematical algorithm, formula, or calculation that produced

"a useful, concrete and tangible result," and that a method of applying a PIC indicator

"value through switching and recording mechanisms to create a signal useful for billing

purposes," AT&T, 172 F.3d at 1358, 50 USPQ2d at 1452, a machine-implemented

process, was "a useful, concrete, tangible result." See Lundgren, 76 USPQ2d at 1411-16. This implies that transformation of data by a machine or a machine-implemented process where the data has no correspondence to something in the real world would not produce a "useful, concrete and tangible result." An "abstract idea" (e.g., a mathematical algorithm) cannot be converted into a statutory "process" under § 101 by claiming it is performed on a machine. Id. at 1407-08 (citing cases involving mathematical algorithms performed on machines).

Because the mere steps of providing modules do not correspond to reciting any real world system or process producing "a useful tangible and concrete result", the examiner concludes that claim 12 is not patentable subject matter.

2.   Note: Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, In re Danly 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959). A claim containing a " recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. Ex parte Masham, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus the intended use recited in the limitations of system claims 1-7 would be further treated as not differentiating the claimed system from a prior art apparatus if the prior art system teaches all the structural limitations, such as modules and servers of the claim.

Claim Rejections - 35 USC § 103

3.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Thackston (US PG-Publication 2002/0035450A1) in view of Hill et al. (US PG-

Publication 20030225683A1), hereinafter Hill.

Regarding claim 1, Thackston discloses a project bidding transaction

management system connectable with an electronic marketing system and a financial

management system, the project bidding transaction management system comprising:

a database server comprising a database for storing data used or generated in

implementing the project bidding transaction management system (see fig.2, references

"Nicad server system 200" and databases "210"; and

an application server for managing project bidding transactions (see fig.2,

references "Nicad server system 200" and paragraphs 0023-0025, 0028,0030), the

application server comprising:

a basic data maintenance module provided for receiving requirements of

outsourcing projects, and generating specifications for the outsourcing projects

according to the requirements (see Abstract, paragraphs 0026 and 0028 which disclose

providing specification and drawings for the parts/projects to be outsourced to

fabricators);

a bidder selection module provided for selecting a plurality of

suitable bidders from a list of companies wishing to bid on an outsourcing

project according to the specifications for the outsourcing project, and for

downloading basic data on such selected bidders (see at least paragraph 0027-0028

which discloses selecting qualified fabricators to bid for the project according to

specification and drawings of the part/project);

a price negotiation management module provided for performing price

negotiations with bidders according to quotations offered by the bidders and an

acceptable price range set by the financial management system, and generating price

negotiation records (see paragraph 0028 and 0073 that negotiations are conducted

and records relating to projects are stored in databases); and

a bid comparison module provided for determining a contractor for

each of the outsourcing projects by comparing the quotations and

generating bid results (see at least paragraphs 0289-0299).

Thackston does not disclose comparing the quotations with a base price set for

the outsourcing project by the financial management system. However, in the same

filed of endeavor, Hill discloses comparing the quotations with a base price set for the

outsourcing project by the financial management system (see at least paragraphs 0210

and 0215 which discloses comparing the quotations with a base bid/price set for the

project by the system). In view of Hill, it would be obvious to one of an ordinary skilled

in the art to modify Thackston to incorporate the step of comparing the fabricators

quotations with a base bid/price set for the project because it would enable the

Thackston system to compare the additions or deletions in the fabricators' bids as

compared to a base bid set by the prime contractor and then determine the winning

bidders.

Regarding claim 2, Thackston discloses a plurality of client computers, each of

the client computers providing a user interface for users of an outsourcing organization

to inquire of the data stored in the database (see at least paragraph 0068 which

teaches that the users of the prime contractor, that is the outsourcing organization, are

provided a plurality of client computers for interfacing with the network including data

stored in databases)

Regarding claim 3 , Thackston suggests further comprising a project schedule

setting module provided for compiling project schedules according to specifications for

the outsourcing projects and implementation plans provided by the contractors (see at

least paragraphs 0088-0090, 01666 and 0295 which disclose setting project schedule

according to requirements of the parts/projects being outsourced to fabricators) .

Regarding claim 4, Thackston discloses further comprising a contract

management module for providing different legal contract templates for the outsourcing

organization and respective contractors, and managing contracts signed between respective parties (see at least paragraph 0152, and Fig.6, module 696).

Regarding claim 5, Thackston discloses that the application server further comprises a message transmission module provided for generating notices recording the bid results, and transmitting the notices to corresponding contractors (see at least paragraphs 272 and 281 which disclose message transmission modules for transmitting messages to fabricators via e-mail).

Regarding claim 6, Thackston discloses that the electronic marketing system provides an operating platform through which outsourcing organizations can initiate public bidding activities, and collect basic information on bidding companies and their respective quotations (see at least paragraph 0028).

Regarding claim 7, this limitation is already discussed and analyzed in claim where bids are compared with set base bid prices and followed by negotiations. Further, final negotiated bids would match the acceptable price range of the buyer/prime contractor in Thackston for outsourcing projects to the fabricators.

Regarding claims 8-12, their limitations are closely parallel to the limitations already covered in claims 1-7 and therefore they are also analyzed and rejected based on the similar rationale used in rejecting claims 1-7.

Conclusion

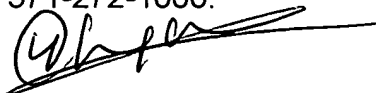4.   The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

US Publications 20020042769A1 to Gujral et al. (see at least Abstract, 0011-0017, 0039-0045, 0049-0051, 0060-0075,0078-0085), 20030014326A1 to Ben-Meir et al. (see at least paragraphs 0005,0101,0134-0158), 20030074301A1 to Solomon (see at least paragraphs 0034, 0259-0262) and US Patent 7146331B1 to Young (see at least Abstract) disclose conducting electronic auctions, soliciting bidding from suppliers/vendors and selecting potential bidders.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C. Garg whose telephone number is 571-272-6756. The examiner can normally be reached on Increased Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Yogesh C Garg
Primary Examiner
Art Unit 3625

YCG
3/20/2007